

## **Russia and China Nexus: Impact on India**

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### **Abstract:**

The growing nexus between Russia and China has created interest amongst policy makers, strategists and academicians all over the world. Terms such as ‘marriage of convenience’ and ‘soft alliance’ are being used to describe the current relationship between the two countries. Their relationship has been developing into a ‘comprehensive strategic partnership’ since 2011 with the signing of the landmark ‘friendship agreement’. The Ukrainian crisis and the territorial dispute in the South China Sea, respective spheres of influence for Russia and China, have given impetus to the partnership, after the two countries adopted congenial policy stance towards each other. However, there are seeds of discontentment in many areas such as in Central Asia, Arctic and in the initiatives such as EaEU-OBOR which brings out the competition within the two countries and the containment policies which though is in subtle form. Meanwhile, Russia-China relationship impacts India’s relationship. The R-I-C format can be a positive medium where all these three countries can work together and have an impact on peace and stability in the world.

**Key Words:** Synergies in Russia-China nexus, Seeds of discontentment within the nexus, Impact and policy choices for India, Caveat in the Trilateral Engagement (R-I-C)

The growing nexus between Russia and China has created interest amongst policy makers, strategists and academicians all over the world. Terms such as ‘marriage of convenience’ and ‘soft alliance’ are being used to describe the current relationship between the two countries. Their relationship has been developing into a ‘comprehensive strategic partnership’ since 2011<sup>1</sup> with the signing of the landmark ‘friendship agreement’. The Ukrainian crisis and the territorial dispute in the South China Sea, respective spheres of influence for Russia and China, have given impetus to the partnership, after the two countries adopted congenial policy stance towards each other. Fu Ying, Chair of the Foreign Affairs Committee of the National People’s Congress, said that the ‘Chinese-Russian relationship is a stable strategic partnership and by no means a marriage of convenience: it is complex, sturdy, and deeply rooted.’<sup>2</sup> Russia and China believe that their relationship is not of convenience but of solidarity, mutual cooperation, trust and equal partnership, a relationship which both yearned with the West, especially Russia.

The 2017 military report of the US where the Pentagon singled out Russia and China as the largest security threats has further strengthened the growing relationship between them. There is scepticism within the West about the construction of new security architecture by Russia and China along with the like-minded countries such as Iran etc. One important aspect of this post-West world order desired by these countries is because of the grievances they have against the West, some recent such as China and Turkey and some accumulated ones like Russia and Iran. All of these countries do desire to have good relationship with the US but on the basis of equal partnership.

## 1. HISTORICAL AND CURRENT PERSPECTIVE

After the initial period of brotherhood based on shared ideology of communism, the relationship between Russia and China became contentious leading to a split in 1960 as the two countries started professing divergent strands of communism. The intensity of enmity between the two countries in 1969 was to the level of an outbreak in a nuclear war which was averted. By 1980s, the relationship began to thaw and since 2001, the relationship between both the countries has grown significantly.

### Convergences

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<sup>1</sup> The term ‘comprehensive strategic partnership’ was used in 1996 when the foundation of the ‘Shanghai-5,’ with the three Central Asian countries, was laid for ‘confidence building in the military field of border area’. This eventually evolved into the Shanghai Cooperation Organisation (SCO). The Shanghai-5 was for border delimitation. The partnership is based on equality, mutual confidence and mutual coordination in the 21<sup>st</sup> century, which can be seen in their global and regional positions on various issues apart from their bilateral cooperation.

<sup>2</sup> Fu Ying, “How China Sees Russia: Beijing and Moscow are Close, but Not Allies”, *Foreign Affairs*, January/February Issue 2016. <https://www.foreignaffairs.com/articles/china/2015-12-14/how-china-sees-russia>

Russia and China, since the collapse of the Soviet Union, have acted on the basis of shared interests at the global, regional and domestic levels. There is an assimilation of common views at these three levels.

## Global Level

At the global level, Russia and China's common position can be seen in all the international matters—political, economical and social. Russia and China are against unilateral actions by any particular country and the US<sup>3</sup> hegemony. The convergence of Russia and China along with the like-minded countries like Iran, Turkey and Pakistan could push towards the building of a post-West multipolar world order. This world order insists on mutual respect, cooperation, equality, non-interference, territorial integrity and sovereignty. This multilateralism post-West world order threatens to throw the yolk of the Western liberal order. During the 2019 Munich Security Conference (MSC), the European leaders including the MSC chairman Wolfgang Ischinger spoke about the return of the great power competition and the reconfirmation of the European leaders for a stronger trans-Atlantic cooperation including that of NATO and EU. The great power competition and the stronger trans-Atlantic cooperation most likely will bring Russia-China more close to each other.

The harsh rhetoric of US against Russia and China has already helped the two countries to come closer. In April 2018, during a visit to Moscow the Chinese foreign minister said that the relationship between the two countries is at the 'best levels in the history' and needs to further strengthen it in view of various uncertainties on the international and regional agenda.<sup>4</sup> Their relationship has been upgraded to comprehensive strategic partners of coordination.

During the same visit, the Chinese minister had said that Russia and China needs to strengthen and prioritize coordination with each other, especially on their major policies and actions, so as to safeguard global and regional stability.<sup>5</sup> With the further sanctions on Russia for the Crimea secession, the accusations of Moscow's hand in Skripal poisoning and the trade war between US and China gives them more opportunities to construct a post-West world order by weakening the hegemony of the West, including the US. Russia's ambition to regain its superpower status and China's 'middle kingdom' concept helps the two countries to cooperate together despite the past history of mistrusts and the future seeds of contentment.

The extent of Russia-China cooperation reflects in their global decisions. According to Fu Ying, Beijing does not have any interest in forming alliance with Moscow, nor in forming anti-West

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<sup>3</sup>Russia and China have strong opposition to the promotion of democracy by the US, its missile defence programmes and Washington's plans to militarize the outer space. On outer space, Russia and China too are upgrading their defense systems.

<sup>4</sup>'China, Russia need to strengthen cooperation amid global uncertainties: FM', *XinhuaNet*, March 6, 2018. [http://www.xinhuanet.com/english/2018-04/06/c\\_137090788.htm](http://www.xinhuanet.com/english/2018-04/06/c_137090788.htm).

<sup>5</sup>Ibid.

or anti-US bloc of any kind.<sup>6</sup> However, their actions are proving contrary to the statement of Ms. Ying, especially regarding the US. America can be held responsible to a large extent for pushing each other to come close. Russia and China resolved their border issue in 2004 which they demilitarized in 1980's. Resolution of the border is an important aspect to consider. The year 2004 has been an important year for Russia given the outbreak of the Colour revolution happening in Ukraine and the decisions being taken by US on Iraq and Libya, making Russia feel cornered in the global platform. Another reason for Moscow is the country's focus towards the development of Siberia and Far East and for this resolution of the border issue with China was important.

Both the countries support reforms at the UNSC in the form of increase in representation of countries especially the developing ones to balance the unilateral domination of the West. It can be seen in their opposition in the form of use of veto against West-backed efforts to impose sanctions and military interventions on anti-West regimes, such as their common position against the Western led opposition parties in Syria. On the Iranian nuclear issue<sup>7</sup>, both the countries resisted sanctions on the country and had called on Tehran to refrain from developing nuclear weapons and make its nuclear programme more transparent. During the 2011 Libya event, Russia and China teamed up against the NATO intervention. They emphasised on a political resolution rather than a military solution. They share similar views on ISIS as a great threat to the stability and peace to the world. They also have similar views on North Korea. In 2016, Zbigniew Brzezinski had warned that the most dangerous scenario that would threaten the American security would be a grand coalition of China and Russia, united not by ideology but by complementary grievances.<sup>8</sup>

## Regional Level

At the regional level, both the countries are focused on peace and stability, especially in Afghanistan, Pakistan and Central Asia. Instability in these regions hampers Russia and China's economic ambitions, threatens the matrix of energy security, and raises the danger of Islamic fundamentalism, terrorism and separatism within their countries, leading to a threat to their existing culture and regimes.

Russia and China live under a perpetual threat because of the rise of extremism in the form of non-state actors, such as Taliban, Al-Qaeda, ISIS, Uyghurs and Chechen Emirates, etc. The governments fear that these groups might invoke instability in the name of socio-economic inequality and self-determination. For Russia, Chechnya has been a huge challenge since 1990's. Since the advent of President Vladimir Putin, stability in the area was restored by

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<sup>6</sup>Ying, "How China Sees Russia: Beijing and Moscow are Close, but Not Allies", *Foreign Affairs*, op.cit.

<sup>7</sup> West accuses Russia and China of helping Iran in developing its nuclear programme through close cooperation during the 1990s.

<sup>8</sup>Graham Allison, "China and Russia: A Strategic Alliance in the Making", *The National Interest*, December 16, 2018. <https://nationalinterest.org/feature/china-and-russia-strategic-alliance-making-38727>.

electing a Chechen Muslim rebel leader as the governor and now the president of the region. However, there is a tension between the Kremlin government and the Chechen rebel leader Ramzan Kadyrov due to the misuse of power by the latter. Tension of militancy and extremism in North Caucasus and Chechnya has increased due to the infiltration and fighting between IS and the local militant leaders. President Kadyrov has not been able to control these groups, which weakens the purpose of the Kremlin in supporting President Kadyrov.

The fear of extremism within Russia is taking another form. There is rise in nationalism and return of Slavic Orthodoxy in the society. Ethnic tensions between *russkie* (ethnic Russians, who are descendants of eastern Slavs) and *rossiyane* (Russian citizens, regardless of ethnicity) are manifesting. It is because of the demographic changes Russia is experiencing due to the influx of migrants and high mortality rate because of narcotics that comes from Central Asia and Afghanistan. The Kremlin authorities fear that this instability between *russkie* and *rossiyane*, especially the Muslims, will strengthen Islamic fundamentalists like the Al-Qaeda, the *Emirates of Chechnya* and ISIS to infiltrate the country and destabilize it.

Likewise, China has the fear of Islamic fundamentalism and rising tendency of separatism within its country in Xinjiang province and Taiwan. These two are the Achilles heel of China. The Xinjiang province is increasingly identified by jihadist groups such as Al-Qaeda as the 'occupied Muslim land'. This can heighten their aspirations and activities in this province, a threat to the Chinese communism. On March 2013, the Chinese officials claimed that about 300 Uyghurs from Xinjiang have joined IS. They have been insisting on the repatriation of the Uyghur Diaspora and refugees. They fear that these refugees are converging with the extremist and terrorist groups. Beijing has expressed their concern with the Central Asian sympathisers of the Uyghur Muslims. The Chinese policy of repression against extremism is increasing in this area which will be conducive for the IS units to infiltrate deep into the country.

Russia and China through the SCO, the Eurasian Economic Union (EaEU) and Silk Road Economic Belt are engaging themselves with the region at the political, economic and security levels. The threats posed by terrorism and extremism are high. With the withdrawal of NATO troops from Afghanistan, Russia and China are reaching out to Kabul, including the Taliban, and Pakistan to secure their borders against the spread of Islamic fundamentalism along with economic dividends.

### **Domestic Level**

At the domestic level, Moscow and Beijing are against regime change and are uncomfortable with the system of any form of opposition to their ruling system. Russia faces discontentment from its opposition political parties while in China opposition parties are not allowed to be formed.

Due to this insecurity within the regimes, Russia and China are uncomfortable with the West regarding the liberal democratic values. They resent the US' interference in their internal affairs or that of other countries. Moscow and Beijing follow different ruling systems – 'sovereign

democracy' and 'one party rule', respectively. Both the countries are against ideas such as democracy, human rights, etc. For example, President Putin believes that the western model of democracy cannot be applied to every country due to their different structures. The convergence of similar views between Russia and China has brought them closer.

The Ukrainian crisis and South China Sea dispute which are seen as a provocation by the US has further strengthened their nexus.

### **Ukrainian Crisis and South China Sea Dispute**

Sanctions imposed on energy, defence and technology have weakened Russia's economy that has pushed the Kremlin to shift its focus to the East in an urgent manner<sup>9</sup>, leading to conciliatory decisions towards China. For Russia, Beijing is a source of money, investment and technology, such as in the energy exploration sector, etc.

China, with its growing economic power, wants to dominate Asia and have major influence over the world. The expansion of its power in the East, towards the Pacific, is being hampered by its territorial disputes in the neighbourhood based on the 'nine dash line' and the US 'rebalancing' act, creating an obstruction to Chinese President Xi Jinping's dream of a new 'Asia for the Asians'. The announcement by the US President, Barack Obama, and Japanese Prime Minister, Shinzo Abe in February 2015 on bolstering military cooperation between the two countries is being seen as an attempt to contain China. Three months after US-Japan announcement, Beijing published its White Paper on Maritime Strategy 2015, describing its naval strategy of challenging the American dominance in the western Pacific, including in the waters around Japan and Taiwan. On July 17, Russia and China announced a naval exercise called Joint Sea Exercise 2015. This was conducted in both the Sea of Japan and off the coast of Russian region of Primorsky — about 250 miles away from Japan.

Russia and China have engaged themselves in many joint military exercises, the latest was the 'Vostok 2018'. The coming up of QUAD between India, US, Japan and Australia in Indo-Pacific is also seen as a containing strategy by Russia and China, though India has made it clear time and again that it will promote a democratic and rules-based international order, in Indo-Pacific with ASEAN at its heart that allows free access to common spaces and is not limited to a club of limited numbers. However, at the same time, India is clear that it will not allow any military development in the Indian Ocean that is not amicable to the Indian interests and to its safety concerns.

Meanwhile, the growing tension between Russia and US and China and US makes it viable for both the countries to cooperate closer. In fact, Beijing would not want to see Russia reconstruct its relationship with the West or lose the battle in Ukraine, as it would strengthen the US

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<sup>9</sup>Since the days of Prime Minister Yevgeny Primakov, the concept of Eurasia and the focus towards East was becoming strong in Soviet Union. Relationship with the East was always there however, 2014 accelerated the pace.

influence in the region. China wants to gain Russia's support in the territorial disputes in Asia<sup>10</sup> and a rapprochement between Russia and Japan, which was showing positive signs before the Ukrainian crisis, is an anathema to the Chinese ambitions. To bind Russia with itself, Beijing is increasing its economic engagement through financial investments and joint projects in defence, space, agriculture, energy, etc. Likewise, Russia would not want China to resolve its issues with US and cooperate closely. There is already a talk of 'G2' which is not music to the ears of the Kremlin.

## New Synergies

Since, Chinese President Xi Jinping attended the 70<sup>th</sup> Anniversary of Victory Day Parade in Russia in 2015, both the countries have signed many bilateral agreements pertaining to energy, trade, and finance deals aimed at strengthening the economic ties.

In November 2018, Gao Feng, spokesperson for China's Ministry of Commerce, said that the trade volume between China and Russia is almost touching the annual goal of \$100 billion.<sup>11</sup> Despite the sanctions, the trade volume between Russia and China has increased. In 2017, it reached \$87 billion. From January till September 2018, the trade reached \$77 billion, raising the hopes of reaching the \$100 billion target by the end of 2018. Undoubtedly, the trade volume between the two countries has increased.

Russia and China in order to increase the trade volume are ironing out every possible irritants related to trade such as on other agricultural products to be exported to China. Russia exports oil, wood, nickel, fish, ores, slag, ash, fertilizers, wood-pulp, gems, precious metals, coins, plastics and organic chemicals.<sup>12</sup> Meanwhile, China exports electronic equipments, machines, vehicles, coal, footwear, clothing, plastics, toys, games, iron or steel products, furniture and lighting, etc.

## Energy

During the 1st Russian-Chinese Energy Forum, Russian President Vladimir Putin said that cooperation between Russia and China has lately received significant development, including in the energy sector.<sup>13</sup>

In 2017, Russia exported 40 million tons of oil and was targeted to reach 50 million by the end of 2018.<sup>14</sup> Three vital projects have been signed since 2013 whose routes would be the Eastern

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<sup>10</sup> Russia has been silent in its support to China over the latter's territorial disputes in South China Sea.

<sup>11</sup> "China's trade volume with Russia nears \$100 billion", Global Times, November 22, 2018.  
<http://www.globaltimes.cn/content/1128569.shtml>

<sup>12</sup> China imports nickel, ores, etc. from the Far East region of Russia.

<sup>13</sup> "Energy cooperation between Russian and China actively developing — Putin", TASS, November 29, 2018.  
<http://tass.com/economy/1033303>.

<sup>14</sup> "Russia's Rosneft aims for \$500bn worth of energy deals with China", RT, November 29, 2018.  
<https://www.rt.com/business/445140-rosneft-china-energy-cooperation/>.

route, Western route and the route from Vladivostok to north-eastern China. The third project, Gazprom wants to link the gas-producing island of Sakhalin to Vladivostok and if successful, then it can further supply gas to China as well as other Asian countries, especially North Korea and South Korea.

China's oil import has been predicted to rise to 9.2 billion cubic metres per day by 2020 and relies on Malaysia, Russia, and West Asian, Central Asian and African countries for its supplies. Apart from gas, China's growing consumption of oil has led to its energy agreements with Central Asia, Russia, Venezuela, Sudan, West Africa, Iran, Saudi Arabia and Canada. Meanwhile Russia, which is one of the largest producers of oil and gas, till the mid 2000, was more focused towards West. Europe was its largest importer of gas and oil. Its relationship with China on energy was limited due to mutual suspicions, pricing concerns (Russia has been quoting exorbitant prices), inadequate transportation infrastructure and competition for influence in Eurasia. However, the situation has changed and growing cooperation with China is seen. The reasons behind the closeness are:

- Russia needs technology to explore untapped reserves and exploit other deposits, which are situated in difficult geological places. China has some of these technologies, which they used during the construction of WEP (West-East Pipeline) gas pipelines, which was built and routed through difficult geographical places (terrains, plateau and rivers).
- Russia's Eastern route pipeline would provide China with the source of secure oil if there is a standoff with the US. Beijing needs an undisrupted supply of energy, which Russia can provide. Russia's Northern Stream Route in the Arctic Ocean is an alternative route for China in future.

## 2. COMPETITION AMONGST THE REGIONAL GROUPINGS: TPP-TTIP, EEU AND SILK ROAD BELT

The regional groupings are another area, which is bringing Russia and China closer. Both the countries are not part of the US' led twin projects—the Trans-Pacific Partnership (TPP)<sup>15</sup> and the Trans-Atlantic Trade and Investment Partnership (TTIP).

Through the TTIP, the US wants to block Moscow's influence as America is focusing on the markets of Eastern Europe, such as Poland, Bulgaria and Romania, etc., which have greater market potential than the matured one in Western Europe. Though under CPTPP and without US on board, one needs to wait and see how this group unfolds its strategy. It is because under

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<sup>15</sup>Though US, the founding member of it, has withdrew its membership under President Donald Trump however, the rest of the members have gone ahead with a new version of the pact, known as the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP).



TPP, the strategy of America was to contain China by dominating the markets in Asia. To counterbalance these two US led groupings, Russia and China have established their own.

Russia has established the EaEU along with Armenia, Belarus and Kazakhstan. Its vision is to form a free trade zone from Lisbon to Vladivostok, including members such as India, New Zealand, Egypt, Israel and the EU, etc. If successful, then it will balance the TTIP.

China saw the TPP as an attempt to counter its economic might in the region. In response, Beijing has initiated economic agreements westward covering East Asia and the South Pacific. It has combined diplomatic and economic initiatives in the form of One Belt One Road (OBOR) that comprises of Belt and Road Initiatives (BRI), Silk Road Economic Belt (SREB) and the 21<sup>st</sup> century Maritime Silk Road (MSR); the Asian Infrastructure and Investment Bank (AIIB); the revival of the Free Trade Area of Asia and the Pacific (FTAAP) initiative, China-Pakistan Economic Corridor (CPEC) and the intensification of bilateral partnerships with its neighbours. These initiatives will help China have influence through the Gwadar Port; new oil and gas pipelines from Myanmar to Kazakhstan; and new industrial and commercial rail links spanning from Western China to Europe. The EEU and China's various initiatives, such as Silk Road Belt, AIIB have brought Russia and China together. Both the countries want to dominate their regions through economic initiatives. They also have a common ambition to curtail the US' dominance over their markets. Hence, finding mechanisms to cooperate through the forums of EEU, OBOR, BRICS, SCO, etc., Russia and China want to mark equal footing in the markets everywhere including the West. To further enhance the economic engagement, Moscow has become one of the founding members of AIIB.

### **Central Asia**

Central Asia is considered as the backyard of Russia and it sought to consolidate the relationship through regional integration initiatives, such as the CIS (Commonwealth of Independent States), the Customs Union and the EEU. Meanwhile, China, with growing demands of energy for its development, has established strong relationship with the region. It is the largest trading partner with a trade volume of \$46 billion till 2012. It is keen on Central Asian oil and gas because of their quality and low price.

Before the Ukrainian crisis, Russia had an ambivalent position towards China's growing presence in the region. Moscow was happy with Beijing's quest for cheap gas from the region as the former was interested in the European markets. Secondly, both countries opposed the presence of the US military in the region, leading to the removal of US military bases from Uzbekistan and Kyrgyzstan.

For China, its relationship with Russia is crucial as it wants uninterrupted energy from Central Asia. It understands Moscow's influence over the region. It also does not want to take the challenge of protecting security in the region by involving deeply from the military perspective. It would rather invest the money in the economic engagement and leave the hardware security issues to Russia.

China is also reluctant to open military bases in the region for the fear of provoking anti-Sinofication which is simmering strongly. It has taken an adroit stand by cooperating with Russia rather than annoying it. It would not want to open a two front conflict with the US on one side and Russia on the other. Nevertheless, Beijing's growing presence in both investments and domination of these markets are making Russia uncomfortable. In the SCO Ufa Summit 2015, Russia was silent on the SCO development bank<sup>16</sup> and the use of SCO to link EEU with OBOR. Moscow has been reluctant to support the creation of the SCO development bank as China would be the main contributor. With the standoff with the West, Russia was planning to support these two initiatives after the latter agreed to include Moscow's Trans-Siberian and BAM<sup>17</sup> railways in the scheme. However, the creation of the bank is on hold. However, Russia has expressed its keenness in linking EeEU with OBOR.

Russia has realised that China has taken over as the biggest external economic power. In order to maintain its presence, Moscow is trying to bolster the Collective Security Treaty Organisation (CSTO) as a security provider and the EEU at the economic front. The sustainability of the relationship between Russia and China are questionable, given the covert competition involved between the two countries.

### 3. SEEDS OF DISCONTENTMENT WITHIN THE NEXUS

The areas where the relationship might be tested are in Central Asia, Far East and Siberia, Asia-Pacific and in EEU-OBOR. The areas of divergences are:

#### **Central Asia**

Russia and China have been cooperating in maintaining stability in Central Asia, whose energy supplies are vital for both the countries' economic development—China uses it for its domestic developments while Russia resells Central Asian hydrocarbons in third-party markets. Moscow enhances the quality of its own petro products by blending them with Central Asian oil. For example, it blends its oil with the Kazakhstan oil, which is rich and smooth in quality. The rich quality of petro products of these countries will hamper Russia's markets. Central Asia is a potential competitor and strengthening of relationship between China and them would strengthen the insecurity within Russia, leading to use of force by the latter. There is tension between these countries and Russia as they are unhappy with the development of the EEU and are also facing the brunt of the weakening of rouble value. They are interested in joining the Silk Road Belt than the EEU. Also, with the signing of the Convention on Caspian Sea between Russia and the other member states, things will be problematic. Russia faces difficulties in

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<sup>16</sup>Russia fears that China might follow the US' behaviour in international financial institutions if Beijing is allowed to be the dominant stakeholder.

<sup>17</sup>The Transsiberian and the Baikal-Amur railroads projects are yet to be taken off. The delay has been due to many bureaucratic challenges within the Kremlin government.

maintaining its monopoly with the emergence of other Caspian Sea members as well as Central Asian players and the US.

China is comfortable with its deals with Central Asian, Latin American and African countries, as they offer low price in comparison to Russia. However, growing closeness would irk Russia. To divert Beijing's businesses from Central Asia, Moscow is pressing China for the development of the Western route<sup>18</sup> through the Altai pipeline, but the latter is more interested in the Eastern route.<sup>19</sup> This route provides secure oil to China that further develops the centre-of-economic-gravity which is in the eastern part of the country. The route also provides an alternate supply line from Central Asia.

Russia is not happy with China's control over the negotiation on the prices of energy. Due to the availability of huge market opportunities for exporters, Beijing is able to quote the price. Given the weak economic situation, Moscow is bending to the rules of China as it needs the cash; however, when the situation becomes normal, then the former might revert back to its old way of 'oil monopoly'.

The untapped energy reserves of China would be a bone of contention as it would reduce its dependency, specifically on Russia, due to the latter's quotation of high price. Beijing would want to maintain close ties with Central Asia because of the latter's good quality and lower price rather than Moscow. Meanwhile, most of the reserves in Russia have matured and the level has depleted. The new reserves, which are to be explored, are situated in difficult geographic terrains and with the sanction on technology; it is not able to explore it. China has the technology, which can help explore in difficult geographical regions. It might demand more access to these untapped fields in Russian territories, leading to further expansion of Chinese presence in these areas.

## CSTO

The Collective Security Treaty Organization (CSTO) which was established after the collapse of the Soviet Union can be an area of future discontentment between Russia and China, given the latter's growing influence in the region. The foundation of CSTO has been shaky due to the discontentment amongst the members where Azerbaijan, Georgia and Uzbekistan have not renewed their memberships. The members are not happy with the dominating position of

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<sup>18</sup>Though in September, Russia and China have agreed to get approval for gas supplies via the Power of Siberia's 'western route' in the shortest possible time. "Moscow, Beijing to agree gas supplies via Power of Siberia's 'western route' shortly", *TASS*, September 12, 2018. <http://tass.com/economy/1021135>. In the same month, Russia, China and Mongolia also agreed on exporting gas through Mongolia to China, opening up another avenue for Russia's pivot to East.

<sup>19</sup>"Russia's gas pivot to Asia: Another false dawn or ready for lift off?" *The Oxford Institute for Energy Studies*, November 2018, pg.6. <https://www.oxfordenergy.org/wpcms/wp-content/uploads/2018/11/Russias-gas-pivot-to-Asia-Insight-40.pdf>

Russia in terms of funding and deployment of military manpower<sup>20</sup> and the clause where Moscow has the right to unilaterally veto the placement of foreign military bases on the territory of a CSTO member. The challenge would be if the members of the CSTO who are also members of SCO, prefers the latter. Amongst the officials there is a proposal of merging CSTO-SCO<sup>21</sup> given their similar fundamental agendas of combating terrorism, extremism and separatism. The convergence might be a challenge in the future due to the dynamics involved within the region such as the bilateral relationships shared between the CSTO members with China. The SCO's economic component is growing at an increasing rate and Central Asian countries who are closely involved with China prefer Beijing over Russia.

China is the dominating power in the SCO<sup>22</sup> and would not want Russia to overpower Beijing's growing clout in that region, given its 'marching West' policy. With its aggressive desire to link OBOR with these countries, it would not want Russia's interference in any dominating forms be it CSTO or EEU. Increase in China's role is uncomfortable for Russia. It does not want its position to be weakened or the alliance of the rest of the members of CSTO to shift. Moscow has lot in stake in terms of the military and industrial complex in the region as it is the supplier of defence equipments to these countries and has close energy links of oil and gas.

Talks are going around of China being the 'bank' and Russia 'the big gun' in the region. The ISIS menace and Russia's ambition to further its influence in Indo-Pacific might bring CSTO and SCO together but the competition to overpower each other would be there. Addition to it, the ambitions of the Central Asian states, including their balancing game with the external powers based on these five states convenience and also the desire to resolve the internal problems within them and uniting together for the region's development complicates the situation and make the region volatile. These states might exploit its membership in EeEU and OBOR. In SCO, it might be little difficult given the expansion of the organisation.

## **Far East and Siberia**

This is another area which has the potentiality of contention due to the interests of both the countries. For Russia, increase of China's presence in the Far East and Siberia has made the former concentrate in this area since 2009<sup>23</sup>. Chinese companies were not allowed to buy the 'strategic' oil and gas deposits by Russia. The Russian authorities opposed Chinese participation in infrastructure projects and in automobile markets because of the fear of Chinese dominance through investments, products and workers in the region. Moscow fears the

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<sup>20</sup>The defence equipments used by the CSTO member states are Russian made military hardware.

<sup>21</sup>"Interview: CSTO head eyes closer partnership with SCO", *New China*, June 8, 2018.  
[http://www.xinhuanet.com/english/2018-06/08/c\\_137239917.htm](http://www.xinhuanet.com/english/2018-06/08/c_137239917.htm).

<sup>22</sup>Though with the membership of India there might be weakening in Beijing's clout.

<sup>23</sup>Other foreign investors are yet to show enthusiasm due to some problems in the region despite the Kremlin authorities making it a business friendly environment. The problems are the small population, lack of sizeable internal regional market and high labour costs. Till these are resolved, Russia has to struggle with the presence of Chinese companies.

presence of the Chinese workers, as it will lead to an increase in the unemployment of the natives. Xenophobic sentiments are already on the rise within the Russians against the Chinese 'Sinification'.

A future threat for Russia might be due to the growing presence of Chinese Uyghurs who relates their ethnic ties with the region. Another front of extremism and separatism for Russia might open up due to the presence of them. Russia is already facing similar problems through the Chechen Muslim separatists and ethnic tensions between *russkie* and *rossiyane*, especially the Muslims from Central Asia and Afghanistan. The presence of the Uyghurs will complicate Moscow's relationship with China. Beijing has not been forthcoming in its policies of counter terrorism and separatism with other countries. For example, it remains silence towards Pakistan's support to the non-state actors' activities in other countries such as in India.

For China, the Far East and Siberia are crucial as this region was a part of Beijing during the 19<sup>th</sup> century. The Chinese officials use the term 'lost territories' frequently in reference to the loss of Far East and Vladivostok. The reference of 'lost territories' might be creating insecurity within the Kremlin circle as Vladivostok was taken from China by the Czar empire through the Treaty of Beijing in 1860. For Russia, the region is vital as it gives access to the Asia-Pacific.<sup>24</sup> Beijing might take advantage of the presence of Uyghurs in the future to counter Russia.

### **Taiwan and Xinjiang**

China is sensitive about Taiwan and Uyghurs in Xinjiang province. Russia shares a cordial relationship with Taiwan. It considers Taiwan as an integral part of China, having signed Beijing's 'One China' policy and does not support political and diplomatic contacts with Taipei. However, Russia has economic and humanitarian ties with Taiwan. From strategic point of view, Taiwan can provide a base of economic and military utility to Russia in future given its geographical position which falls in the routes of South China and East China Seas. Moscow wants to mark its presence in this region and relationship with Taiwan can be of advantage in the future for both its power status and also to balance China in the region. Xinjiang remains a vulnerable point for China. A counter balance is in play. Russia is uncomfortable with the presence of the Uyghurs in Far East and region and Siberia while China might become wary of Moscow's nationalistic fervour which might lead to the increase in 'Sinification'. Russia has a positive economic relationship with the Xinjiang province and the trade volume between them has risen to \$2.15 billion in 2014. Although Moscow would be careful not to stoke separatism in China; however, to protect its national interests in that region and its ambitions, it might take advantage of the situation within Beijing. Also there is the historical angle of the 'great game' attached to Russia's interest in this province. During the initial phase of the Soviet Union's period, Xinjiang featured importantly in economic and strategic matters. For Russia, this portion was vital for the protection of its southern and eastern flanks from Turkic and Islamic

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<sup>24</sup>Gordon G. Chang, "China and Russia: An Axis of Weak States", *World Affairs Journal*, March/April 2014.  
<http://www.worldaffairsjournal.org/article/china-and-russia-axis-weak-states>.

upheavals. Economically, the region has been rich in natural resources. Soviet Union had used the ethnic divisions to its advantage.<sup>25</sup>

## **Indo-Pacific**

The current shift of global power and developmental potential towards the East, primarily to the Indo-Pacific region, the Indian Ocean region and the Arctic region might become areas of discomfort between Russia and China given their national interests.

Russia's relationship with the Asian countries such as India, Bangladesh, Myanmar and Vietnam are positive. To further strengthen it, Moscow is trying to engage these countries through the EEU's FTA, arms deals, nuclear civilian cooperation and energy engagements. It is also trying to develop its Northern Sea Route in Arctic region which will help Moscow to have an alternative route to reach to Indo-Pacific. It would open up Russia's northern side that will help in spurring economic and social development from Kamchatka to Kola.

Russia's vision in signing the EEU FTA with Vietnam is complimentary to its strategy of linking Arctic Sea with Indo-Pacific. For Moscow, Vietnam is the key pivot point of Southeast Asia, as it occupies key shorelines connecting the Strait of Malacca with North East Asia. The country is accessible by sea to Russia's Far East ports. Additional route via the Northern Sea route will enhance Russia's accessibility to the Asian markets via Asia-Pacific. Moscow is trying to rejuvenate its ties, such as with India and Bangladesh through defence and civil nuclear cooperation, and establishing new relationships with countries, like Pakistan. With Pakistan, Moscow gets the access to the Gwadar and Karachi ports which would be beneficial for its commercial and military activities respectively for the port facilities. Cooperation with these countries would help in linking its Northern Sea Route with the Indo-Pacific through the International North South Corridor (INSTC) route, giving a wider access.

Since the last few years, Russia is trying to actively propagate its ambition in this region and increase its activities. Apart from energy, nuclear and arms deals, other ideas which are floating are expansion of food production in southern Siberia for the Asian market; engaging with Asian countries in scientific and technological cooperation; and internationalizing Russia's educational system through closer links to Asian universities. Currently, Russia's ambitions in Indo-Pacific are in nascent stage due to the lack of a coherent strategic policy. However, if these initiatives are successful then it would be hampering China's ambitions in the region.

## **EaEU-OBOR**

Although EaEU and OBOR are enthusiastic about their cooperation; however, the increase in the presence of these institutions in each other's spheres of influence, such as China's OBOR initiative in Central Asia leading to Europe and the EaEU in Asia-Pacific, will not be conducive

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<sup>25</sup>Mark Dickens, "The Soviets in Xinjiang: 1911-1949", *Oxus.com*, <http://oxuscom.com/sovinxj.htm> .

in the future. Though Russia has supported OBOR and has agreed to link EaEU with OBOR however the strategy is to contain China<sup>26</sup>. At the same time, OBOR is also a strategy to contain Russia's power in Eurasia. Hence, the urgency in promoting EaEU with the Asian countries is to balance China's growing presence in Central Asia as well as Moscow's need to counter the US. The signing of the FTA between EEU and Vietnam and being in the process of signing it with India and New Zealand signify the future of Russia's strategy.

Other areas of discontentment might be in defence, finance and future projects such as the North South Corridor.

## Defence

Defence is another area where past contention might erupt. The foundation of China's military-industrial complex was laid by the Soviet Union's industries. It was done through the licensing of technology, the transfer of assembly kits and the provision of advisors. However, with time, China has been able to catch up with the Russian state-of-art models. Russia was upset over China copying the designs of Moscow's state-of-the-art military technology. The two countries have addressed these issues and have agreed on new contracts since 2016. However, with deals like S-400 missile systems and Sukhoi SU-35 fighter aircrafts between Moscow and Beijing, China might use it against Russia, for example, in Vladivostok. It might also take over the Russian arms export markets by producing defence weaponry and selling it low prices. The outer space and cyber space are other areas where there can be trouble in future. Currently, both the countries are cooperating in both these fields through their joint space projects and anti-hacking pact, but given the suspicion about each other's ambitions, it might create an unfriendly atmosphere in the future.

## Finance

Russia and China have started to transact their bilateral trade in their national currencies in order to lessen the dependency on the dollar and the euro. Russian Prime Minister Dmitry Medvedev during his October visit to China predicted that the trade volume between Russia and China is expected to reach \$200 billion through their trade in local currencies. Talks are going to allow the use of China's Union Pay credit card in Russia and Russia's Mir card in China.<sup>27</sup> However, there might be future limitations to it. In the international market, dollar is still the medium of transaction as well as the powerful currency (despite everything) and it is doubtful about other currencies such as renminbi and rouble taking over in the near future. Between Russia and China, despite the currency swapping, future problems would be the imbalance in the rate exchange. Due to the strength of renminbi in comparison to the rouble,

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<sup>26</sup>Also in reality, the agreements been signed between both the countries through these two initiatives are still on paper. Nothing much is happening in the ground reality.

<sup>27</sup>Karen Yeung, "China and Russia look to ditch dollar with new payments system in move to avoid sanctions", *South China Sea Monitor*, November 22, 2018. <https://www.scmp.com/economy/china-economy/article/2174453/china-and-russia-look-ditch-dollar-new-payments-system-move>

China will benefit than Russia. The non-convertibility of the renminbi would be another major barrier.

## **Economic**

Despite the sanctions, the trade volume between Russia and China has increased. The energy sector is also booming between the two. There are heavy investments from Chinese side in Russia. The trade war between China and US is helping Beijing and Russia comes closer. However, given the flux in international relations as well as the two countries ambitions, things might be in a cautious mode. Though hypothetical but if relationship of these two countries improves with US then there might be a change between Russia and China. According to a confirmed source<sup>28</sup> from Russia, most of the agreements between Russia and China are in paper and not in reality.

## **Arctic**

China has been an active player in the Arctic region meanwhile; Russia is a natural inheritor of it. In its Arctic policy, China has stated itself as a 'Near Arctic State'. It has also expressed in building a 'Polar Silk Road' there. It is keen in participating in the governance of the region apart from the other areas of scientific, economic and energy areas. It spoke about participating in accordance with the basic principles of 'respect, cooperation, win-win result and sustainability'<sup>29</sup> however, given its trajectory on unilateral claims such as in South China Sea and the developments in Arctic, the readings of this Arctic policy goes beyond. For Russia, it will be a trouble though it is upgrading its defence capabilities and its claims in the region. Though far-fetched, but if China becomes powerful in South China Sea and also becomes successful in claiming its near Arctic then it will be able to contain Russia in Eurasia including in the maritime domain in the Arctic.

## **International North-South Corridor**

Russia, India and Iran are cooperating closely on INSTC. The project is parallel to China's East-West Silk Road project. The growing nexus between Russia-India-Iran would be uncomfortable for Chinese ambitions. Though there are problems within the project which are emerging such as Iran inviting China and Pakistan to invest in INSTC<sup>30</sup> however if these issues can be ironed out than this corridor will help not only India but also Russia to strengthen its Greater Eurasian Project (GPE) and EaEU. It will open a market to the West and East.

The relationship between Russia and China to a large extent is been strengthened due to global and regional challenges along with anti-US hegemony. It is a 'marriage of convenience' with

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<sup>28</sup>The Russian expert under Chatham House rule answered to a statement that the author had made that Russia's Greater Eurasian Project (GPE) is a containing strategy towards China and OBOR's to EaEU.

<sup>29</sup>"China's Arctic Policy", *The State Council Information Office of the People's Republic of China*, January 2018. [http://english.gov.cn/archive/white\\_paper/2018/01/26/content\\_281476026660336.htm](http://english.gov.cn/archive/white_paper/2018/01/26/content_281476026660336.htm).

<sup>30</sup>India is not happy with Tehran over the invitation to China and Pakistan to invest in INTSC.



China seemingly the dominant partner. However, the ambitions of both the countries to play an influential role in the international system would become checks and balances over each other. Both the countries are fighting for the same strategic, geopolitical and resource based objectives. In this context, India's perspective on this nexus is important given its relationship with both the countries.

#### 4. IMPACT ON INDIA

India is observing the relationship carefully despite the divergences present in the axis. Russia, China and India are members of BRICS and are closely associated through other multilateral organisations, such as Russia-India-China (RIC), SCO and recently AIIB, etc. However, concerns are becoming more.

India shares a 'special and privileged' partnership with Russia. However, there are problems faced within the bilateral relationship such as the latter's growing relationship with Pakistan and the former's with the US is not keeping the relationship satisfactory. For India, closer relationship between Moscow and Islamabad makes the situation uncomfortable given the bilateral challenges India faces with both countries. A growing nexus between Russia-Pakistan-China would not be music to New Delhi including from the security perspective. During the February 2019 R-I-C meet, Russia, India and China agreed to cooperate more closely to counter the threat of terrorism and extended their support to New Delhi on counter-terrorism however, they did not support India's stand on Pakistan being supporting state sponsored terrorism activities in Indian soil including the Pulwama attack on February 14.

Another area of discomfort for India is Russia's support to the China-Pakistan Economic Corridor (CPEC) and Beijing's OBOR. Moscow supports this initiative as it believes that this project will help Pakistan's economy and also help in regional connectivity. Though given the special and privileged relationship between India and Russia, it is near to impossible however, given the shift in the international scenario, including New Delhi's growing relationship with America, Russia can play a spoil sport by using CPEC in a covert manner as a containment strategy against India in the future depending on the relationship between India and Russia.<sup>31</sup>

New Delhi faces more trouble as Iran has invited Pakistan and China to invest in the development of the Chabahar port, a move which Moscow supports. For Russia, development of this port along with the development of the multilateral economic initiatives helps the country to develop its own EaEU. India cannot support CPEC nor OBOR because these initiatives impinge on the territorial sovereignty of India. New Delhi has also been questioning the transparency of the OBOR project. The discomfort of India, including the investment of Islamabad and Beijing in Chabahar port, is because of the trust deficiency between India-

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<sup>31</sup>Though India is not against Russia having relationship with any third country vis a vis Russia. Also, New Delhi knows that Moscow is sensitive towards the former's security concerns however, the growing relationship between Russia and Pakistan, including in the defence sector, does not go well with India.

Pakistan-China. Though there is cooperation between these three countries and with SCO being a common platform things should turn for good however, for the time being it has not been the case. With the Pulwama attack and China not declaring Masood Azar of Jaish-e-Mohammad,<sup>32</sup> the terrorist group living in Pakistan, the trust quotient for India towards these two countries is low. Addition to this, the border dispute between India and China still stands, which would be difficult to be resolved in the near future.

Meanwhile, Russia and China have their own concerns with India regarding the latter's relationship with the US. With QUAD coming up and Indian Prime Minister Narendra Modi giving the 'JAI' acronym to the partnership between Japan, India and US, Moscow and Beijing have been uncomfortable, which will increase in future if these two countries do not get space to manoeuvre in this part of the region. For example, China is trying its best through its proxy presence by investing in countries like Sri Lanka, Maldives, Pakistan's Gwadar Port etc. to position itself in this region. At the same time, China eyeing the Northern Sea Route in the Arctic is also to an extent to bypass the Indo-Pacific route though this passage remains vital for Beijing. The growing relationship of Russia with Pakistan and China can also be attributed to the factor of (future) non-accessibility apart from its economic and strategic interests in this region.

Another area of concern for India is its membership in the UNSC. Russia supports New Delhi's membership, while China has objections regarding it. The delay in India's membership in the UNSC shows a deep rooted skepticism within Russia and China. For China, it is not comfortable as it wants to regain its primacy to veto as the only Asian country in the UNSC. India's membership will dilute the power of Beijing and might affect the decisions if both the countries do not share the same view and approach on any challenging issue at both global and regional levels.

Although Russia supports India's bid to the UNSC<sup>33</sup>, the encouragement has not taken any pragmatic form, such as a strong bidding amongst other UNSC members and pushing harder for the inclusion of New Delhi swiftly. One reason behind this covert inertia might be India's closeness with the West, especially the US.<sup>34</sup> There might be discomfort within the Kremlin about India being pressurized by the West, especially the US against Moscow in global and regional challenges though recently New Delhi was able to not come under pressure from America regarding sanctions on Russia and Iran, however there might be discomfort within Moscow regarding India.

In the Ukrainian crisis, India has maintained an independent and prudent position of resolving the challenge through inclusive and peaceful dialogue amongst the contesting parties. Russia

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<sup>32</sup> Though China had to relent with the international pressure on listing Mr. Azar a terrorist

<sup>33</sup>The basic question which needs to be addressed by the P5 is that whether they genuinely want to share the power with others or not.

<sup>34</sup>Another reason for Moscow is Japan. India's membership leads to the others such as Japan and Germany.

has held New Delhi's position in high esteem. The West and the US have been unable to pressurize India in imposing sanctions on Russia. However, a sense of fear might be looming within Moscow. Also, Russia, like China, might be uncomfortable with the sharing of veto power with India at the UNSC.

## 5. POLICY CHOICES FOR INDIA

Maintaining a strong, transparent and balanced relationship with Russia and China is beneficial for India. At the same time, India needs to build its relationship with other powers in the neighbourhood such as Japan, South Korea and Australia etc. A balanced, independent and non-bloc relationship through a multivector foreign policy will help India to strengthen its position in the international relations. The country is a fast-growing economy and has shown the capability of taking over China in the near future.

India's growth is important because of its multilateral engagements. Though New Delhi is for a multi polar world order and shares the same vision with Russia and China however it is clear that it does not want to be in any anti-West group. India is growing into a country where it wants to take along all countries together without forming any bloc or alliances (apparent in its deals with the West as well as with Russia and China). In creating an inclusive world, India, Russia and China can contribute in the following, despite the mistrust and contentious issues:

- Global climate change is a real threat; these three countries can come up with projects such as to preserve forests such as in Far East and the fauna in the Arctic.
- Cyber threat is another area where these three countries can work together to build a system against attacks. They should bring other countries such as US, Japan, South Korea, France and Germany in the team.
- Outer space is another area where these three countries can contribute in lunar and Mars missions. India and Russia have restarted their cooperation in this sector.
- Water crisis is going to be a huge issue affecting the security and stability in the region including between India and China. They must address this issue.
- Cultural exchanges and educational exchanges especially in the level of strategic community in the R-I-C format as well as in a multilateral format will be important where subjects like international order, post-West order, global climate, nuclear disarmament, terrorism etc. should be discussed and come up with recommendations for the governments.

The R-I-C format can be a good format which can contribute in both the traditional and non-traditional security aspects. However, the format has to be non-biased and based on mutual and genuine understanding. Lot of confidence-building measures need to be initiated.

However, there are some caveats in these trilateral engagements.

### **Caveat in Trilateral Engagements**

- Given the all-weather relationship with Pakistan, it would be difficult under the R-I-C format to go for an anti-terrorism project as China does not acknowledge Pakistan's involvement in encouraging non-state actors. The recent standoff between India and Pakistan where China and Russia asked both the countries to restrain themselves and stay calm fell short in asking Pakistan to stop using its proxy terrorist groups against India. Beijing did not declare Mr. Azar as a terrorist. Partnering seriously with India, not just in papers but also in actions would open up complications between Beijing and Lahore whose repercussions China would not want to face. Similarly, Russia's growing relationship with Islamabad will restrict its maneuvering powers. In the 2018 Qingdao declaration of Shanghai Organization Cooperation (SCO), all the members, including India and Pakistan, in the joint statement noted that use of 'terrorist, extremist and radical groups for one's own purposes are unacceptable'. It called for the implementation of treaty on long-term good neighbourliness, friendship and co-operation.<sup>35</sup> However, it failed to achieve the goals.
- Russia and China's anti-America attitude (for the time being) hinders the prospect of trilateral engagements. India's growing relationship with US does not go well with Moscow and Beijing.

The relationship between India, Russia and China has the capacity of contributing peace and stability in the world. However, the national interest, mistrust and strategic ambitions within each other and against each other make the positive prospects weak. Much depends on the leaders of the states. For the time being, all the three leaders are willing to circumvent the problems to a large extent and work together towards common goals of cooperation and development but how long remains to be seen.

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<sup>35</sup>"Qingdao Declaration of the Council of Heads of State of Shanghai Cooperation Organisation", Shanghai Organization Cooperation, June 10, 2018.  
[file:///C:/Users/Dr%20Indrani/Downloads/Qingdao\\_Declaration\\_2018.pdf](file:///C:/Users/Dr%20Indrani/Downloads/Qingdao_Declaration_2018.pdf)<https://www.mea.gov.in/bilateral-documents.htm?>

On Russia and China relationship, it is heartening to see their partnership in an upswing mode in global and regional levels. Both the leaders support each other and maintain a non-interference attitude in their domestic policies. The actions of US have helped in bringing the two countries closer. International relations are viewed from the prism of *realpolitik* and zero sum game. However, the areas of discomfort which the two countries shares and in future might become strong caveats in this relationship.

With globalization and advancement of information and technology that has developed the economies of the countries, has also become the genesis of non-traditional security issues—terrorism, religious fundamentalism, ethnic xenophobia, climate change<sup>36</sup>, water scarcity and natural calamities, etc, posing grave danger to all countries. Hence, dialogues based on persistent confidence building measures—transparency, respect and understanding of each other can bring India, Russia and China together and have a rippling effect on the international system.

India's position, given its relationship with US; its special and privileged partnership with Russia and its prudent as well as balanced relationship with China, can help in the future of building a balanced, inclusive and not chaotic global multipolar world order.

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<sup>36</sup>Those these three countries talk about climate change and India and China area also a part of Paris Agreement but ground reality speaks contrary.